



A PHI Company

Docket no. 13-348

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October 30, 2013 DELAWARE P.S.C.

Via Overnight Delivery and Email

Ms. Alisa C. Bentley, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

RE: Compliance Filing of Delmarva Power & Light Company in PSC Docket Nos. 12-546, 13-349F and 13-348

Dear Ms. Bentley:

Enclosed for filing with the Commission are the original plus ten copies of the compliance filing in Delmarva's Natural Gas Base Rate Case proceeding (Docket No. 12-546), Gas Cost Rate proceeding (Docket No. 13-349F) and Environmental Surcharge Rate proceeding (Docket No. 13-348). This filing is made in compliance with the following Commission Order Nos.: 8465 in Docket No. 12-546, 8457 in Docket No. 13-349F and 8464 in Docket No. 13-348. The rates reflected on the attached Tariff Leafs will become effective with usage on and after November 1, 2013.

In addition, Tariff Leaf Nos. 53 and 55 have been updated to reflect the change in the loss factor that was referenced in the Company's GCR Application and Testimony. The GCR calculation as approved subject to refund and pending investigation by the Commission for rates to be effective November 1, 2013, includes a loss factor of 2.8%. These tariffs leafs are being submitted to be consistent with this calculation.

Please contact me at 302-353-7979, Pamela Scott at 302-429-3143, or Heather Hall at 302-454-4828 with any questions related to these matters.

Sincerely,

Todd L. Goodman

cc: Service Lists in Docket Nos. 12-546, 13-349F and 13-348

TABLE OF CONTENTS (Continued)

Leaf Number

SERVICE CLASSIFICATIONS

CORE SALES SERVICES

| | | |
|---------------|---|-----|
| "RG" | Residential Gas Sales Service | 40 |
| "GG" | General Gas Sales Service | 41 |
| "GL" | Gas Lighting Sales Service | 42 |
| "MVG" | Medium Volume Gas Sales Service | 43 |
| "LVG" | Large Volume Gas Sales Service | 46 |
| "LVG-QFCP-RC" | Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production | 48a |
| "PM" | Peak Management Rider | 49 |

CORE TRANSPORTATION SERVICES

| | | |
|--------|--|----|
| | Transportation Terms and Conditions | 51 |
| "GVFT" | General Volume Firm Transportation Service | 60 |
| "MVFT" | Medium Volume Firm Transportation Service | 61 |
| "LVFT" | Large Volume Firm Transportation Service | 62 |
| "SBS" | Stand-By Gas Supply Service | 63 |

NON-CORE SERVICES

| | | |
|--------|--|----|
| "QFT" | Quasi-Firm Transportation Service | 65 |
| "MVIT" | Medium Volume Interruptible Gas Transportation Service | 66 |
| "LVIT" | Large Volume Interruptible Gas Transportation Service | 68 |
| "FPS" | Flexibly Priced Gas Supply Service | 74 |
| "NCR" | Negotiated Contract Rate Service | 76 |

RIDERS

| | | |
|--------|------------------------------------|----|
| "ESR" | Environmental Surcharge Rider | 79 |
| "UFRC" | Utility Facility Relocation Charge | 81 |

**RATES AND CHARGES
CORE SALES RATE LEAF**

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|---|------------------|------------------------|
| <u>Residential Gas Sales Service ("RG")</u> | | |
| Customer Charge | \$11.34 | per month |
| Delivery Charge | \$0.49941 | per CCF |
| Space Heating Delivery Charge 1/ Over 50 CCF | \$0.40075 | per CCF |
| Environmental Surcharge Rider | \$0.00059 | per CCF |
| Gas Cost Rate (GCR) | \$0.62106 | per CCF |
| <u>General Gas Sales Service ("GG")</u> | | |
| Customer Charge | \$34.17 | per month |
| Delivery Charge | | |
| First 750 CCF | \$0.41487 | per CCF |
| Over 750 CCF | \$0.30989 | per CCF |
| Environmental Surcharge Rider | \$0.00059 | per CCF |
| Gas Cost Rate (GCR) | \$0.62106 | per CCF |
| <u>Gas Lighting Sales Service ("GL")</u> | | |
| (Estimated Usage - 15 CCF per month) | | |
| Monthly Charge | \$ 7.02 | per gas light |
| Gas Cost Rate (GCR) | \$ 9.32 | per gas light |
| <u>Medium Volume Gas Sales Service ("MVG")</u> | | |
| Customer Charge | \$670.50 | per month |
| Demand Charge | \$ 15.89 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.50982 | per MCF |
| Environmental Surcharge Rider | \$0.00591 | per MCF |
| Gas Cost Rate (GCR) Demand Charge | \$11.9198 | per MCF of Billing MDQ |
| Gas Cost Rate (GCR) Commodity Charge 2/ | \$4.2536 | per MCF |
| <u>Large Volume Gas Sales Service ("LVG")</u> | | |
| Customer Charge | \$1,004.80 | per month |
| Demand Charge | \$ 9.78 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.12264 | per MCF |
| Environmental Surcharge Rider | \$0.00591 | per MCF |
| Gas Cost Rate (GCR) Demand Charge | \$11.9198 | per MCF of Billing MDQ |
| Gas Cost Rate (GCR) Commodity Charge 2/ | Varies | per MCF |

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.

2/ All LVG and "Electing" MVG Customers pay a monthly Commodity Charge GCR based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR Commodity Charge listed here.

Order Nos. 8465, 8457 & 8464

Filed: October 30, 2013

Docket Nos. 12-546, 13-349F & 13-348

Effective with Usage On and After November 1, 2013

Filed in Compliance with Order No. 8465 in Docket No. 12-546,

Order No. 8457 in Docket No. 13-349F, and Order No. 8464 in Docket No. 13-348

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION

BASE RATE

BASIS

Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production
("LVG-QFCP-RC")

| | | |
|---|------------|---|
| Customer Charge | \$1,079.80 | per month |
| Demand Charge | \$6.85817 | per MCF of Billing MDQ |
| Capital Recovery Charge | Varies | per Customer's Executed Service Agreement |
| Environmental Surcharge Rider | \$0.00591 | per MCF |
| Gas Cost Rate (GCR) Commodity Charge 1/ | Varies | per MCF |

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|---|------------------|--|
| <u>General Volume Firm Transportation</u> | | |
| <u>Service ("GVFT")</u> | | |
| Customer Charge | \$119.07 | per month |
| Delivery Charge | | |
| First 750 CCF | \$0.41487 | per CCF Redelivered |
| Over 750 CCF | \$0.30989 | per CCF Redelivered |
| Balancing Fee Non-Base Rate | \$0.03337 | per CCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00059 | per CCF |
| <u>Medium Volume Firm Transportation</u> | | |
| <u>Service ("MVFT")</u> | | |
| Customer Charge | \$745.50 | per month |
| Demand Charge | \$ 15.89 | per MCF of Billing MDQ |
| Delivery Charge | \$ 0.50982 | per MCF Redelivered |
| Balancing Fee Non-Base Rate | \$0.3337 | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00591 | per MCF |
| <u>Large Volume Firm Transportation</u> | | |
| <u>Service ("LVFT")</u> | | |
| Customer Charge | \$1,079.80 | per month |
| Demand Charge | \$ 9.78 | per MCF of Billing MDQ |
| Delivery Charge | \$ 0.12264 | per MCF Redelivered |
| Balancing Fee Non-Base Rate | \$0.3337 | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00591 | per MCF |
| <u>Standby Service ("SBS")</u> | | |
| Demand Charge Non-Base Rate | \$11.9198 | per MCF of Standby MDQ |
| Commodity Charge | | Monthly System WACCOG per MCF (adjusted for losses and unaccounted for) |

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RATES AND CHARGES

NON-CORE RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>MIN RATE</u> | <u>MAX RATE</u> | <u>NON-BASE RATE</u> | <u>BASIS</u> |
|--|---|---------------------|---------------------|--------------------------|--|
| <u>Flexibly Priced Gas Service ("FPS")</u> | | | | | |
| Commodity Charge 1/ No Notice Swing Charge | \$ 0.15000 | Varies | N/A | | per MCF per MCF Redelivered |
| <u>Medium Volume Interruptible Transportation Service ("MVIT")</u> | | | | | |
| Customer Charge | \$745.50 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | \$ 1.30000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$3.27 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.3337 | per MCF of Imbalance Volumes |
| <u>Large Volume Interruptible Transportation Service ("LVIT")</u> | | | | | |
| Customer Charge | \$1,079.80 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | | | | | |
| First 5,000 MCF | \$ 1.30000 | | | | per MCF Redelivered |
| Over 5,000 MCF | \$ 0.36000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$1.00 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.3337 | per MCF of Imbalance Volumes |
| <u>Quasi-Firm Transportation Service ("QFT")</u> | | | | | |
| Customer Charge | Negotiable | | | | per Month |
| Demand Charge | Negotiable | | | | per MCF of MDQ |
| Delivery Charge (2) | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.3337 | per MCF of Imbalance Volumes |
| <u>Public Utilities Tax</u> | | | | | |
| | 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax. | | | | |
| <u>City of Wilmington</u> | | | | | |
| <u>Local Franchise Tax</u> | | | | 2.00% | Charged on all non-exempt services, in the City of Wilmington, including the GCR |

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

1/ Minimum Rate is the monthly system WACCOG plus losses and unaccounted-for, unless gas is acquired specifically for, plus \$0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable \$0.00000/Mcf charge on QFT, MVIT and LVIT.

TRANSPORTATION SERVICE
TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. E.S.T. and E.D.S.T.

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by two point eight percent (2.8%) for losses and unaccounted-for gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of fuel and losses, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of fuel and losses, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* posting for Texas Eastern, M-3 or Transco, zone 6 N.Y., plus the applicable transportation rate and all taxes and surcharges, unless Delmarva notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to one ninety percent (90%) of the lower of the relevant *Gas Daily* posting for Texas Eastern, M-3 or Transco, zone 6 N.Y., unless Delmarva notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee shall be applicable to all Transportation Services and assessed on the customer's total monthly throughput adjusted for thermal content and reduced by two point eight percent (2.8%) for losses and unaccounted-for gas and daily takes, either excess deliveries or excess takes.

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

- (1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of fuel and losses, shall be considered unauthorized overrun volumes.

RIDER "UFRC"
UTILITY FACILITY RELOCATION CHARGE RIDER

A. Purpose

The Utility Facility Relocation Charge (UFRC) is intended to allow Delmarva Power to recover the cost of relocation of existing facilities required or necessitated by Department of Transportation or other government agency projects.

B. Applicability

This Rider is applicable to any Customer served under Service Classifications "RG", "GG", "GL", "MVG", "LVG", "LVG-QFCP", "PM", "GVFT", "MVFT", "LVFT", "SBS", "QFT", "MVIT", "LVIT", "FPS" and "NCR."

The rate is applicable to the portion of the Customer's charges related to the delivery or distribution of gas.

C. Definitions

1. "Eligible Utility Facility Relocations" mean new, used and useful plant or facilities of a gas utility that:

- i. Do not include that portion of any plant or facilities used to increase capacity of or connect to the system to serve new or additional load;
- ii. Are in service; and
- iii. Were not included in the utility's rate base in its most recent general rate case; and which
- iv. Relocate, as required or necessitated by Department of Transportation or other government agency projects without reimbursement, existing Company facilities, including but not limited to, mains, lines and services, whether underground or aerial. For purposes of this section, "existing facilities" and "relocate" include the physical relocation of existing facilities and also include removal, abandonment or retirement of existing facilities and the construction of new facilities in a relocated location.

2. "Pretax return" means the revenues necessary to:

- a. Produce net operating income equal to the Company's weighted cost of capital as established in the most recent general rate proceeding multiplied by the net original cost of eligible utility facility relocations. At any time the Commission by its own motion, or by motion of the Company, Commission staff or the Public Advocate, may determine to revisit and, after hearing without the necessity of a general rate filing reset the UFRC rate to reflect the Company's current cost of capital. The UFRC rate shall be adjusted back to the date of the motion to reflect any change in the cost of capital determined by the Commission through this process;
- b. Provide for the tax deductibility of the debt interest component of the cost of capital; and
- c. Pay state and federal income taxes applicable to such income.

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER - continued

C. Definitions (continued)

3. "UFRC costs" means depreciation expenses and pretax return associated with eligible utility facility relocations.
4. "UFRC rate" refers to utility facility relocation charge.
5. "UFRC revenues" means revenues produced through a UFRC exclusive of revenues from all other rates and charges.

D. Filing

1. The UFRC rate shall be adjusted semiannually for eligible relocation expenses placed in service during the 6-month period ending 2 months prior to the effective date of changes in the UFRC rate .
2. The effective date of changes in the UFRC rate shall be January 1 and July 1 every year.
3. The Company shall file any request for a change in the UFRC rate and supporting data with the Commission at least 30 days prior to its effective date.
4. The UFRC rate applied between base rate filings shall be capped at 7.5% of the portion of the Customer's charge related to the delivery or distribution of gas, but the UFRC rate increase applied shall not exceed 5% within any 12-month period.
5. The UFRC rate will be subject to annual reconciliation based on a period consisting of the 12 months ending December 31st of each year. The revenue received under the UFRC for the reconciliation period shall be compared to the Company's eligible costs for that period with the difference between revenue received and eligible costs for the period recouped or refunded, as appropriate, over a 1-year period commencing July 1 of each year. If the UFRC revenues exceeded the UFRC eligible costs, such over-collections shall be refunded with interest.
6. The UFRC rate shall be reset to zero as of the effective date of new base rates that provide for the prospective recovery of the annual costs theretofore recovered under the UFRC rate.

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER -- continued

E. Filing (Continued)

1. The UFRC rate shall also be reset to zero if, in any quarter, data filed with the Commission by the Company show that the electric utility will earn a rate of return that exceeds the rate of return established in its last general rate filing or by Commission order as described in paragraph 2.a of this Rider, if such was determined subsequent to the final order in the company's last general rate filing. Further, the UFRC rate shall be reinstated when such data show that the established rate of return is not exceeded and will not be exceeded if the UFRC rate is reinstated and reset.

The UFRC is set forth as follows: 0.00%